

Legal Avenues: Your Road to Solutions

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Establishing Nonprofit Public Interest Firms: An Emerging Career Trend for Attorneys

The lack of job and advancement opportunities at large, traditional law firms, coupled with the reality that many individuals who need legal representation can't afford a traditional attorney, has motivated some recent law school graduates to explore unconventional career paths as independent practitioners of public interest law.¹

Existing Models

Historically, the provision of legal services to low- and moderate-income individuals has fallen almost exclusively to regional nonprofit legal-aid organizations, whose reach and effectiveness have often been limited by scarce government/grant funding and overwhelming demand.² However, where public programs have traditionally struggled, private nonprofit law firms have thrived and proven to be a viable business option for socially-conscious legal entrepreneurs.³

In the last several years, a number of law schools and bar associations, like Arizona State University and the Chicago Bar Foundation, have recognized the benefits of promoting public interest law practice, setting up their own nonprofit firms and “low-bono” incubator programs to help law students gain real-world experience representing clients at reduced hourly rates—simultaneously making legal representation more accessible to the general public.⁴

Many young attorneys have since duplicated this business model on a smaller scale, capitalizing on its client appeal and economic advantages.⁵ Open Legal Services, for instance, a nonprofit public interest firm started by two University of Utah law graduates in 2013, determines their clients' hourly rates using a sliding scale that's based on household income.

Other firms have adopted low flat fees for standard services.⁶

Risks and Rewards

In order to determine if establishing a nonprofit firm is the right move, attorneys need to consider both the benefits and challenges that are unique to this venture. For instance, working at below-average rates entails an obvious financial sacrifice, which can be hard to swallow when faced with the reality of start-up costs, marketing fees, and student loan bills. But on the bright side, nonprofit practice attorneys enjoy exemption from some taxes and are eligible for student loan forgiveness after ten years of regular payments.⁷

Most attorneys interested in opening nonprofit public interest firms are largely motivated by their desire to make a difference in the world, and while protecting the legal rights of the underprivileged can be very gratifying, it can also take an emotional toll over time. At the end of the day, attorneys must be willing to reconcile the perks of nonprofit firm ownership (like the freedom to set one's own caseload) with the pitfalls (like all the extra business-related responsibility).⁸

Creating a Business Plan

Careful preparation is key to establishing any kind of successful law firm, and nonprofit public interest firms are no exception. An important first step is drafting a mission or purpose statement to help clarify the firm's intended target market and area of practice expertise. Research into regional market demographics (like median income and cost of living) is recommended to help determine demand and the best way to set rates.

Getting the perspective of a seasoned attorney can also prove insightful—especially in regards to budgeting and staffing considerations. In general, building a support network can help attorneys approach nonprofit firm ownership with pragmatism and confidence.⁹

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Footnotes

¹Elefant, Carolyn. “Why Do ‘Low Bono’ for Others When You Can Start Your Own Non-Profit Law Firm?” *Above the Law*. 19 May 2014. Accessed 1 Oct. 2014. Available at: <http://abovethelaw.com/2014/05/why-do-low-bono-for-others-when-you-can-start-your-own-non-profit-law-firm/>

²Zuckerman, Michael. “Is There Such a Thing as an Affordable Lawyer?” *The Atlantic*. 30 May 2014. Accessed 1 Oct. 2014. Available at: <http://www.theatlantic.com/business/archive/2014/05/is-there-such-a-thing-as-an-affordable-lawyer/371746/>

³Elefant.

⁴Bronner, Ethan. “To Place Graduates, Law Schools Are Opening Firms” *The New York Times*. 7 Mar. 2014. Accessed 1 Oct. 2014. Available at: http://www.nytimes.com/2013/03/08/education/law-schools-look-to-medical-education-model.html?pagewanted=all&_r=1&

⁵Tozzi, John. “Training New Lawyers to Start Affordable Law Firms” *Business Week*. 13 Jan. 2014. Accessed 1 Oct. 2014. Available at: <http://www.businessweek.com/articles/2014-01-13/training-new-lawyers-to-start-affordable-law-firms>

⁶Zuckerman, Michael. “The Utah Lawyers Who Are Making Legal Services Affordable” *The Atlantic*. 7 Aug. 2014. Accessed 1 Oct. 2014. Available at: <http://www.theatlantic.com/business/archive/2014/08/the-utah-lawyers-who-are-making-legal-services-affordable/375717/2/>

⁷Ibid.

⁸Glover, Sam. “The Reality of Low-Bono Law Practice” *Lawyerist*. 27 July 2014. Accessed 1 Oct. 2014. Available at: <http://lawyerist.com/67814/the-reality-of-low-bono-law-practice/>

⁹Zuckerman, “The Utah Lawyers Who Are Making Legal Services Affordable.”